

**Small Business Administration
Interview with Richard Ginsburg**

Ron Johnson: The business world is better connected than ever. However, most of America's small business owners never think of competing in foreign markets nor do they realize that 67 percent of purchasing power comes from outside the United States and this global marketplace could be a boon to America's small business community.

Hi, I'm Ron Johnson of the U.S. Small Business Administration, Your Small Business Resource. And with me today is Richard Ginsburg, the Senior International Trade Specialist from the Office of International Trade. It's good to have you with us Richard.

Richard Ginsburg: Thank you, it's a real pleasure to be here with you, Ron.

Ron Johnson: Now, international trade is a hot topic. A two-part question: what is the mission of the office of international trade and how does it support economic development and small business generated job growth?

Richard Ginsburg: Thank you Ron, it's always a pleasure to work with you and on this occasion, to discuss international trade and the tremendous opportunities for U.S. small businesses to take advantage of by selling those goods and services to foreign buyers. As you mentioned two thirds of the

world's purchasing power is outside of the United States. Our mission in the Office of International Trade is very simple yet very explicit.

The mission of the SBA's Office of International Trade is to support the U.S. government's efforts to improve the international trade and economic environment for small businesses by providing financial and technical assistance to existing and potential small business exporters and collaborate with the U.S. government's international affairs agencies to effect trade and economic policies. Partnership with the U.S. Trade Promotion Coordinating Committee, TPCC, represents a collaboration of 21 federal agencies that support trade promotion, finance, international trade policy and international affairs. International policy, in particular, is directed by the White House and U.S. Trade Representative's Office. SBA's Office of International Trade plays a role in representing the interests of small businesses by being part of the Small Business Working Group with regards to free trade agreements and other collaborative negotiating efforts between the United States and a foreign government in manifesting trade relationships.

Our Office of International Trade also participates in several multilateral initiatives led by the U.S. Trade Representative, Department of Commerce and State Department

such as representing U.S. small businesses with the AGOA, APEC, OECD and then Some of the Americas initiatives.

Ron Johnson: Now Richard, what are the advantages of exporting and what might be required of a small business that wants to perhaps enter into the export marketplace?

Richard Ginsburg: Two thirds of the world's purchasing power is in the hands of 96 percent of the world's population, these two statistics should be incentive enough. Developing foreign markets provides a diversity of customers that generates significantly more transactions -- that means sales -- that surely will increase revenues and profits. Small businesses that export typically stay in business longer, create more jobs and pay higher wages to their employees. Exporters also can mitigate adverse economic conditions at home by having market penetration of foreign markets that still demand U.S. goods.

Ron Johnson: So what resources does SBA provide to help them get started in, let's say, exporting?

Richard Ginsburg: Well, this is a great question and it allows me to expound on some of the other programs at SBA. Our Office of Entrepreneurial Development, with our resource partners at the Small Business Development Centers, SCORE chapters around the country, Women's Business Centers, Veterans Business Opportunity Centers, in addition to so many of our

state and local government partners and the wealth of stakeholders and multipliers, are all working to support not only sustainability and success of our small business community but to also encourage those small businesses to become what we call "export ready," educated and prepared to conduct business in a slightly different way than inter- or intra-state commerce.

SBA has 18 senior international trade and finance officers located in U.S. Export Assistance Centers around our country, who are our lead contacts with the small business community, technical assistance providers, many lenders who provide the necessary financing for international transactions.

Ron Johnson: Here's a million dollar question, what types of loan programs are available and what can the loans be used for?

Richard Ginsburg: The SBA's premier working capital program for export financing is basically tied to export transactions. The SBA's EWCP, Export Working Capital Program, assists lenders in meeting the needs of exporters seeking short term export working capital. This program enables U.S. exporters to obtain loans to fund their direct export costs. The Export Working Capital supports single transactions or revolving lines of credit. It could be used to acquire inventory for exporting. It could be used for the

manufacturing of exports, pay the manufacturing cost of goods that are being exported, to purchase goods and services for export, to support standby letters of credit related to export transactions and for pre-shipment working capital directly related to export sales.

We have a nifty program called the Export Express. This is a program that's been a pilot program for many, many years now, soon to become, hopefully, a permanent loan program. This is a loan program that can be used for working capital but it can also be used by a small business that wants to get engaged into international trade. By that I mean, if they get invited by the Department of Commerce, a state governor, to participate in a trade mission, that cost might be somewhat prohibitive but our loan program can finance any activity by which a small business wants to get into the trade game.

We also have a third program, our International Trade Loan, and that product is primarily used for the acquisition of long term assets such as plant, equipment, real estate or buildings.

Ron Johnson: Richard, how does the SBA help small businesses adversely affected by competition from imports and could you then go into the International Trade Loan Program?

Richard Ginsburg: you could certainly go into the International Trade Loan Program. The Department of Commerce,

which is the trade agency in our government, actually has a new initiative that's called the America's Competitiveness Forum and this is something that enables small businesses in particular to either retrofit or to recast their actual strategic plan and perhaps their manufacturing so that they can become more competitive to foreign imports. And for those reasons the SBA's International Trade Loan can provide certain financial benefits to enable small businesses to engage in retrofitting their business so that they can become more competitive and stave off the impact of foreign imports.

Ron Johnson: I know a lot of our listeners are out here that are interested in exporting. Is there any background that they need necessarily to get into this?

Richard Ginsburg: Good question. And this will revert back to my first -- my earlier statement regarding export ready. When does a company know that they are able or capable of exporting? And this is done by many of our resource partners. While we have these senior international trade people around the country and Department of Commerce, is that -- I takes a certain amount of sophistication and success in business to modify a company's strategic plan to go into global trade and this is where our resource partners, the Small Business Development Centers in particular with SCORE and Women's Business Centers to help make a small business export

ready so that they can become familiar with all the terms, conditions and nuances that refer specifically to international trade.

Ron Johnson: Our thanks to Richard Ginsburg, our Senior International Trade Specialist of the Office of International Trade for providing an overview of the Office of International Trade and the resources available to help small business owners compete in the global marketplace. You can learn more about all of SBA's resources at www.sba.gov and sba.gov/international to review and learn even more about taking your business global. Until next time, this is Ron Johnson with the U.S. Small Business Administration, Your Small Business Resource.

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